Manchin sends letter to SEC opposing climate disclosure rule

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Body

Sen. Joe Manchin has sent a letter to the Securities and Exchange Commission opposing a proposed rule that would require companies to report their greenhouse gas emissions and other climate-related measures.

Manchin, who represents West Virginia, is one of the most conservative Democrats in the Senate, and has received nearly $1 million in campaign donations from oil and gas firms, according to financial contribution watchdog Open Secrets.

"The most concerning piece of the proposed rule is what appears to be the targeting of our nation's fossil fuel companies," Manchin wrote in the letter. "Not only will these companies face heightened reporting requirements on account of their operations, but they will also be subjected to additional scrutiny."

The comments from Manchin, who accused the SEC of politicizing the financial assessments of companies, comes just hours after the United Nations released a 3,675-page report urging countries to make "immediate and deep emissions reductions" or face devastating climate change consequences.

The Intergovernmental Panel on Climate Change, which included 278 of the world's top economic and scientific researchers from 65 countries, provides details in the report on the last remaining paths to stop irreversible damage to the planet.

If the global emissions of greenhouse gasses are not reduced, it will lead to worsening natural disasters and the destruction of ecosystems among other threats to humanity.

"Enacting rules that are seemingly duplicative in nature -- particularly for our nation's energy companies -- may add additional burdens that are both timely and costly for publicly traded companies and may also serve to create unnecessary confusion for investors," Manchin said.

"Ultimately, I am interested in the implementation of rules that are rational and ensure that the system is fair. Reassessing the responsibilities of our nation's energy companies within these disclosures is a critical component to reaching that fairness."

Manchin argued that the proposed disclosures are unnecessary because most companies in the Russell 1000 Index already publish sustainability reports and so "the proposed rule aims to solve a problem that does not exist."

He added that not all companies have the resources or ability to assess the data required to be disclosed, particularly for Scope 3 greenhouse gas emissions which are indirectly caused by a company's supply chain.

"The U.S. Environmental Protection Agency collects such information from fossil fuel companies through its Greenhouse Gas Reporting Program and shares its public reports in October of each year," Manchin said.

Gary Gensler, chairman of the SEC, said when announcing the proposed disclosures March 21 that the new rule would standardize information about a business' climate risks for investors.

"If adopted, it would provide investors with consistent, comparable, and decision-useful information for making their investment decisions, and it would provide consistent and clear reporting obligations for issuers," he said.

"Today, investors representing literally tens of trillions of dollars support climate-related disclosures because they recognize that climate risks can pose significant financial risks to companies, and investors need reliable information about climate risks to make informed investment decisions."

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